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TENNESSEE REGULATORY AUTHORITY
REGULATORY AFFAIRS

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OFFICE OF THE
EXECUTIVE SECRETARY

Don Sundquist
Governor

H. Lynn Greer, Jr.
Director

August 10, 1999

TO WHOM IT MAY CONCERN:

Re: Ex Parte Communication
Docket 98-00244

On the morning of August 10, 1999, I received a telephone call from Kroger who has signed a Contract Service Arrangement with BellSouth. The essence of the conversation was that the company wanted very much for the TRA to approve the contract. I disclosed to the party with whom I spoke that this was an ex parte communication which I would have to put on the record, and I further requested that the party write me a letter putting her comments on the record. I have received that letter from Karen R. Dybvad of Kroger and have attached it hereto. Ms. Dybvad's letter reveals that Kroger has already filed a signed affidavit in 98-00559.

A more detailed summary of the conversation was placed on the record at the Directors Conference on Tuesday morning, August 10, 1999, during a discussion of Docket 99-00510.

A handwritten signature in cursive script, reading "Lynn Greer".

Lynn Greer, Director

Attachment

REC'D TN
REGULATORY AUTH.

THE KROGER CO.

1014 VINE ST.

8/10/99

8/10/99 10:41:58
CINCINNATI, OH 45201OFFICE OF THE
EXECUTIVE SECRETARY

Tennessee Regulatory Agency
Lynn Greer, Director
460 James Robertson Parkway
Nashville, TN 37243

SUBJECT: Docket No. 98-00559, Docket No. 99-00210, Docket No. 99-00244

Dear Mr. Greer,

Per our conversation this morning, on behalf of the Kroger Co. ("Kroger"), I again would like to encourage all reviewing participants to accept the Volume and Term contract arrangements for our Tennessee Kroger facilities that was signed between the Kroger Co. and BellSouth Telecommunications, Inc. ("BellSouth") by November 2, 1998. We are very anxious to begin enjoying the discounts that we negotiated in good faith with BellSouth for our Tennessee locations just as we are in the other BellSouth states/region.

Due to our extensive knowledge of competition and alternatives available to us for telecommunications services, Kroger approached BellSouth last year and requested discounts on local services in order to maintain Kroger as a customer. The General Office for Kroger, located in Cincinnati, OH, is responsible for negotiating enterprise/corporate agreements involving telecommunications services and we encourage our divisions (i.e. our Memphis Kroger Marketing Area (KMA) and Nashville KMA) to comply with our contractual arrangements for the benefit of the company as a whole. Our strategic direction is to reduce the number of vendors with which we do business, to streamline our processes and to buy bulk services/products for aggregate volume discounts. The arrangement we have with BellSouth allows us to fulfill these strategic goals in the BellSouth region.

We have been very cooperative in trying to obtain approval in Tennessee to proceed with our contract arrangements. On 4/27/99 we signed an amendment of our volume and term agreement modifying our termination liability. On 8/2/99 we signed an affidavit to testify that we are aware of competition and have made the informed decision to enter into this V&T agreement with BellSouth. On 8/9/99, I was informed by the legal counsel at BellSouth that our director would now be contacted by the Consumer Advocate to be cross examined under oath to verify the information contained within the affidavit. I do not believe that this additional effort is necessary and would like to gain reprieve from any additional legal communications toward this effort. If you need any additional information, feel free to contact me at (513) 745-5454. Otherwise, we will await the Agency's decision on the approval of our contract in Tennessee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen R. Dybvad".

KAREN R. DYBVAD

Manager, Voice Communications, The Kroger Co.